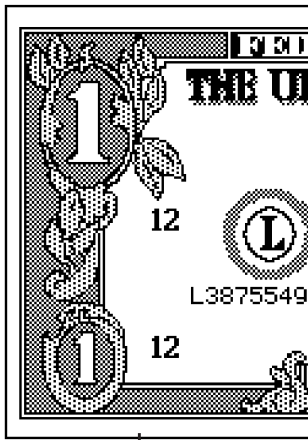


Summary Financial Statements

The following pages contain general summary financial information and statements related to all funds of the state.

Statements included are:

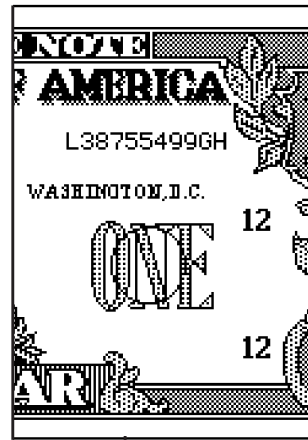
- Summary of Total FY 2006 Budget —All Funds (Where Your State Tax Dollar Comes From and Where Your State Tax Dollar Goes)
- Combined Statement of Revenues, Expenditures, and Changes in Fund Balances for Appropriated Funds (narrative and statement);
- Cash and Investment Balances of All Funds — Fiscal Year Ending June 30, 2004;
- Detailed Investments Fund 13 (Special Revenue) — Fiscal Year Ending June 30, 2004;
- General Revenue Fund — Statement of Revenues by Source — FY 2002 through FY 2008;
- General Revenue Fund — Statement of Revenues, Expenditures, and Changes in Cash Balance;
- General Revenue Fund — Overview by Functional Category FY 2004 through FY 2006;
- General Revenue Fund — Recommended Supplemental Appropriations FY 2005;
- Lottery Fund — Statement of Revenues, Expenditures, and Changes in Cash Balance;
- Excess Lottery Fund — Statement of Revenues, Expenditures, and Changes in Cash Balance;
- Excess Lottery Fund — Recommended Supplemental Appropriation FY 2005;
- State Road Fund — Statement of Revenues by Source — FY 2002 through FY 2008;
- State Road Fund — Statement of Revenues, Expenditures, and Changes in Cash Liquidity;
- Tobacco Settlement Fund — Recommended Appropriations FY 2006;
- Public Employees Insurance Reserve Fund — Recommended Appropriations FY 2006;
- Major Constitutional and Statutory Requirements;
- Summary of Primary Government Long-Term Debt Outstanding as of June 30, 2004.



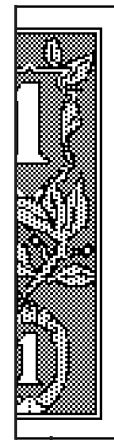
Federal Funds
31.5¢



Special Revenue
Funds
31.1¢



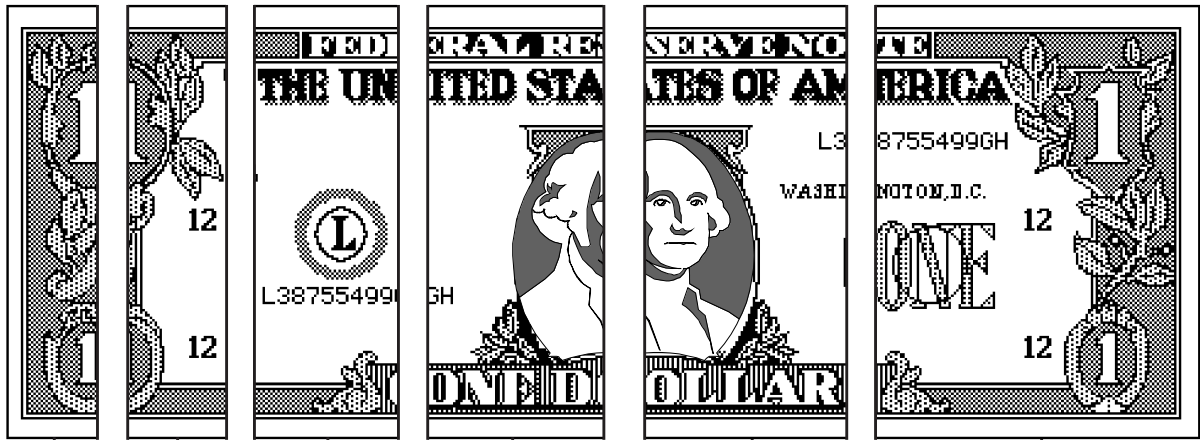
General Revenue
Funds
28.4¢



State Road
Funds
9.0¢

TOTAL REVENUE
\$11.66 Billion

Where Your State Tax Dollar Comes From **(FY 2006 Estimate)**



Transportation
9.7¢

Higher Education
13.6¢

Administration
9.0¢

Other*
17.9¢

Education
19.1¢

Health and Human Resources
30.7¢

***Other**

Military Affairs & Public Safety	4.6¢
Commerce	3.8¢
Executive	2.1¢
Environment	2.0¢
Revenue	1.4¢
Misc. Boards & Commissions	0.9¢
Education & the Arts	0.9¢
Judicial	0.7¢
Employment Programs	0.6¢
Senior Services	0.5¢
Legislature	0.4¢

TOTAL EXPENDITURES
\$11.58 Billion

Where Your State Tax Dollar Goes

(Governor's Recommended FY 2006 Budget)

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances for Appropriated Funds

The following two pages reflect actual, budgeted, and recommended revenues and expenditures for FY 2004, 2005, and 2006, respectively, for all funds that are specifically appropriated by the Legislature and included in the Budget Act. The revenues are listed by source of funds, and the disbursements are listed at the department/bureau level. See the “Budget Planning—Revenue Sources” section for a more detailed explanation of each source of funds.

All revenues (actual, budgeted, and recommended) reflect the revenues actually collected or estimated to be collected from July 1 to June 30 of each fiscal year. All expenditures (actual, budgeted, and recommended) reflect the disbursements actually made or estimated to be made during the fiscal year. For appropriations that expire at the end of the fiscal year, expenditures would be included through July 31 (13th month/31 day closeout period). For appropriations that are reappropriated to the next ensuing fiscal year, expenditures are included through June 30, there is no 13th month/31 day closeout period. Any unexpended amounts remaining in nonexpiring appropriations are carried forward to the next fiscal year as of July 1.

FY 2004 Actuals are the total actual revenues and expenditures for all appropriated funds including expenditures from regular, supplemental, surplus appropriations, and reappropriated amounts.

FY 2005 revenue estimates for the General Revenue Fund have not been revised and, therefore, are the original estimates used when the FY 2005 budget was passed. The State Road Fund reflects the Governor’s revised official revenue estimates as submitted to the Legislature. Since the Governor provides the official revenue estimates for the budget and those estimates do not require legislative approval, the revised estimates have been used where appropriate.

FY 2005 Budgeted expenditures reflect the amounts budgeted prior to the beginning of the 2005 Legislative session and include amounts which have been reappropriated from prior year unexpended appropriations. For General Revenue and Special Revenue funds, these are significant amounts and require mentioning. The General Revenue fund budgeted expenditures include \$203.3 million in reappropriated amounts, and Special Revenue funds include \$192.8 million in reappropriated amounts. Of the \$192.8 million in Special Revenue funds, \$30.0 million was actually in the FY 2005 Budget Act but was available from date of passage, thereby making these FY 2004 appropriations. All of these funds were reappropriated to FY 2005. Also, \$63.9 million is reappropriated from excess lottery accounts. These accounts, for the most part, were not funded until the end of FY 2004 and, therefore, reappropriated to FY 2005. The General Revenue fund also includes \$30.5 million in surplus appropriations made available from the cash balance available at the end of FY 2004.

Because of these reappropriated and surplus amounts which are included in the FY 2005 Budgeted expenditures, it may appear these budgeted expenditures are not in line with the actual FY 2004 expenditures or the FY 2006 recommendations.

Although the FY 2005 Budgeted amounts are available to spend during the fiscal year, the likelihood of expending the entire amount is extremely remote. Generally, a significant amount of the authorized expenditures remains unspent at the end of each fiscal year and is reappropriated to the next ensuing fiscal year. Although the unexpended/reappropriated amounts cannot be determined in advance of the close of the fiscal year, the actual expenditures for FY 2005 will be less than the total authorized budgeted amounts.

FY 2006 Recommendations are the amounts that the Governor has proposed to the Legislature for appropriation. As discussed above, the recommendations do not include any amounts that will ultimately be available for expenditure as a reappropriated or surplus expenditure.

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances for Appropriated Funds

Each fund on the following two pages is made up of multiple accounts containing anywhere from approximately 25 individual appropriations for the State Road Fund to over 1,500 individual appropriations for the Special Revenue Fund.

The General Revenue Fund and the State Road Fund are true financial funds and must maintain positive fund balances in the respective “bottom lines” in order to process payments for obligations when due. State law requires sufficient funds to be available, both in the individual appropriation and the total fund, to cover state payments before those payments may be released. Therefore, the total fund “cash flow” is carefully monitored to ensure funds are available as required.

The Federal Fund and the Special Revenue Fund are comprised of hundreds of individual, stand alone, self-supporting, self-balancing accounts. Each account is part of a larger fund for financial reporting purposes only. Each account must have sufficient funds and an appropriation balance available to pay obligations of that specific account when due and may not expend any funds from the “bottom line” of the total fund. Lottery Funds are, by law, special revenue funds and are included in the Appropriated Special Revenue Fund figures.

As mentioned above, state law requires funds to be available prior to releasing payments; however, none of the funds are required to maintain a minimum balance. All funds and accounts are closely monitored to ensure adequate cash is available to pay obligations when due.

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances for Appropriated Funds (Expressed in Thousands)

	General Fund			Appropriated Federal Fund		
	Actuals FY 2004	Budgeted FY 2005	Recommended FY 2006	Actuals FY 2004	Budgeted FY 2005	Recommended FY 2006
Beginning Fund Balance	\$165,986	\$266,780	\$7,349	\$27,097	\$26,229	\$18,877
Transfer to Rainy Day Fund	(9,824)	(31,728)	(3,675)	-	-	-
Transfer from Rainy Day Fund	14,000	6,000	-	-	-	-
Transfer from Special Revenue	25,777	-	-	-	-	-
Prior Year Refunds/Redeposits	182	155	-	-	-	-
Revenues						
Taxes						
Consumer Sales	927,992	951,700	972,300	-	-	-
Personal Income	1,068,212	1,098,700	1,152,500	-	-	-
Business and Occupation	177,395	172,500	178,000	-	-	-
Severance	184,354	162,000	248,000	-	-	-
Corporation Net Income and Business Franchise Tax	181,515	175,300	244,500	-	-	-
Highway Litter Control	-	-	-	-	-	-
Gasoline and Motor Fuel	-	-	-	-	-	-
Wholesale Motor Fuel	-	-	-	-	-	-
Automobile Privilege	-	-	-	-	-	-
Other	337,480	329,400	331,800	-	-	-
Intergovernmental	-	-	-	2,659,860	3,228,894	3,475,386
Licenses, Permits & Fees	12,014	13,300	13,200	-	-	-
Departmental Collections	18,466	15,000	15,100	-	-	-
Interest Income	7,001	14,000	13,000	-	-	-
Other	168,512	139,856	94,250	-	-	-
Industrial Access Road Transfer	-	-	-	-	-	-
Total Revenues	3,082,941	3,071,756	3,262,650	2,659,860	3,228,894	3,475,386
Expenditures						
Legislature	27,983	72,043	36,954	749	1,264	1,264
Judicial	77,654	83,549	82,364	-	150	1,150
Executive	58,171	89,305	119,799	30,111	45,205	29,251
Administration	55,528	60,279	57,170	29,037	34,017	34,017
Commerce	56,636	81,314	49,128	68,252	100,224	92,537
Education	1,573,653	1,614,961	1,638,666	270,554	393,000	457,000
Education and the Arts	26,362	28,315	23,829	49,507	53,607	54,886
Environment	8,402	7,827	7,329	82,716	98,015	98,015
Health and Human Resources	565,469	655,184	681,652	2,006,647	2,281,200	2,500,312
Military Affairs & Public Safety	225,824	277,827	251,099	83,688	182,488	167,415
Revenue	22,309	29,914	25,729	12	1,025	975
Transportation	8,091	11,952	6,994	22,673	24,083	21,423
Employment Programs	-	-	-	2,740	4,258	4,258
Senior Services	853	883	887	12,466	14,550	14,550
Higher Education	305,347	287,261	280,996	-	-	-
Misc. Boards & Commissions	-	5,000	-	1,576	3,160	2,616
Total Expenditures	3,012,282	3,305,614	3,262,596	2,660,728	3,236,246	3,479,669
Ending Fund Balance	\$266,780	\$7,349	\$3,728	\$26,229	\$18,877	\$14,594

Note: The Appropriated Special Revenue Funds include Lottery Funds.

For a total summary of all revenues and expenditures including nonappropriated, see

"Where Your State Tax Dollar Comes From" and "Where Your State Tax Dollar Goes" in this section.

State Road Fund			Appropriated Special Revenue Fund			Total All Appropriated Funds		
Actuals FY 2004	Budgeted FY 2005	Recommended FY 2006	Actuals FY 2004	Budgeted FY 2005	Recommended FY 2006	Actuals FY 2004	Budgeted FY 2005	Recommended FY 2006
\$86,700	\$104,619	\$73,324	\$381,764	\$344,725	\$176,180	\$661,547	\$742,353	\$275,730
-	-	-	-	-	-	(9,824)	(31,728)	(3,675)
-	-	-	-	-	-	14,000	6,000	-
-	-	-	-	-	-	25,777	-	-
-	-	-	-	-	-	182	155	-
-	-	-	-	-	-	927,992	951,700	972,300
-	-	-	-	-	-	1,068,212	1,098,700	1,152,500
-	-	-	-	-	-	177,395	172,500	178,000
-	-	-	-	-	-	184,354	162,000	248,000
-	-	-	-	-	-	181,515	175,300	244,500
1,578	1,688	1,755	-	-	-	1,578	1,688	1,755
272,398	311,700	318,000	-	-	-	272,398	311,700	318,000
36,920	-	-	-	-	-	36,920	-	-
176,700	176,300	179,420	-	-	-	176,700	176,300	179,420
5,726	6,432	6,224	-	-	-	343,206	335,832	338,024
354,087	474,500	455,405	-	-	-	3,013,947	3,703,394	3,930,791
83,146	85,754	85,160	1,029,972	1,004,715	962,494	1,125,132	1,103,769	1,060,854
-	-	-	-	-	-	18,466	15,000	15,100
-	-	-	-	-	-	7,001	14,000	13,000
-	-	-	-	-	-	168,512	139,856	94,250
(2,948)	(3,000)	(3,000)	-	-	-	(2,948)	(3,000)	(3,000)
927,607	1,053,374	1,042,964	1,029,972	1,004,715	962,494	7,700,380	8,358,739	8,743,494
-	-	-	1,864	3,265	3,269	30,596	76,572	41,487
-	-	-	-	-	-	77,654	83,699	83,514
-	-	-	17,135	22,446	22,075	105,417	156,956	171,125
-	-	-	89,685	67,266	57,973	174,250	161,562	149,160
-	-	-	106,742	128,063	102,364	231,630	309,601	244,029
-	-	-	79,637	78,647	73,811	1,923,844	2,086,608	2,169,477
-	-	-	23,936	31,498	19,691	99,805	113,420	98,406
-	-	-	43,857	49,707	48,062	134,975	155,549	153,406
-	-	-	309,040	339,799	346,676	2,881,156	3,276,183	3,528,640
-	-	-	18,573	29,169	23,363	328,085	489,484	441,877
-	-	-	151,290	127,735	110,873	173,611	158,674	137,577
909,688	1,084,669	1,060,496	5,394	6,290	5,944	945,846	1,126,994	1,094,857
-	-	-	-	-	-	2,740	4,258	4,258
-	-	-	39,199	40,682	38,497	52,518	56,115	53,934
-	-	-	95,311	146,945	126,694	400,658	434,206	407,690
-	-	-	85,348	101,748	86,242	86,924	109,908	88,858
909,688	1,084,669	1,060,496	1,067,011	1,173,260	1,065,534	7,649,709	8,799,789	8,868,295
\$104,619	\$73,324	\$55,792	\$344,725	\$176,180	\$73,140	\$742,353	\$275,730	\$147,254

Cash and Investment Balances of All Funds

Fiscal Year Ending June 30, 2004

(Nearest Dollar)

	Fund No.	Cash Balance	Investments	Total Balance
General Revenue Fund	01	\$290,544,841	\$0	\$290,544,841
State Road Fund	02	27,531,408	87,265,421	114,796,829
Natural Resources Fund	03	4,129,166	44,748,478	48,877,644
Consolidated Pool and Investments	09	(1,068,715,254)	1,098,633,900	29,918,646
Consolidated Federal Funds (Special Revenue)	12	39,000,372	0	39,000,372
Special Revenue Funds (Departments and Institutions)	13	522,035,250	1,395,641,549 ¹	1,917,676,799
Special Revenue Funds (Higher Education)	14	12,723,784	191,642,994	204,366,778
Workers' Compensation Fund	15	9,734,203	1,075,389,016 ²	1,085,123,219
Human Services Fund	16	55,188,759	12,149,990	67,338,749
Public Employees' Retirement System	17	4,694,611	3,031,549,870	3,036,244,481
Teachers' Retirement System	18	2,128,679	1,368,094,940	1,370,223,619
West Virginia University - Medical School Fund	20	2,065,969	3,587	2,069,556
Total		(\$98,938,212)	\$8,305,119,745	\$8,206,181,533

1) See following page for Detail of Fund 13.

2) Includes \$225,752,739 - Coal Workers' Pneumoconiosis Fund.

Detailed Investments Fund 13
Fiscal Year Ending June 30, 2004
(Nearest Dollar)

Attorney General	\$532,814
Auditor's Office	6,129,266
Board of Risk and Insurance Management	161,027,020
Building Commission	11,657,756
Court of Claims	5,992,443
Consolidated Public Retirement Board	258,698,469
Criminal Justice	2,580,114
Culture and History	16,317
Department of Administration	168,698,106
Department of Education	5,658,983
Higher Education Policy Commission	3,261,159
Department of Education and the Arts	246,509
Department of Transportation	926,242
Development Office	41,960,108
Division of Human Services	994,574
Division of Labor	3,120,615
Division of Natural Resources	243,269
Environmental Protection	144,857,865
Governor's Office	927,480
Lottery Commission	120,900,639
Municipal Bond Commission	179,286,977
Public Employees Insurance Agency	181,022,493
Regional Jail Authority	5,316,960
State Police	326,692
State Rail Authority	451,101
Treasurer's Office	82,645,406
Water Development Authority	8,162,171
	<hr/>
Total Detail Fund 13	<u><u>\$1,395,641,549</u></u>

General Revenue Fund

Statement of Revenues by Source

(Expressed in Thousands)

Source of Revenue	FY 2002 Actual Collections	FY 2003 Actual Collections	FY 2004 Actual Collections	FY 2005 Official Estimate	FY 2006 Official Estimate	FY 2007 Estimate	FY 2008 Estimate
Business and Occupation Tax ¹	\$173,712	\$178,415	\$177,395	\$172,500	\$178,000	\$176,500	\$176,000
Consumers Sales Tax ²	885,943	894,511	927,992	951,700	972,300	1,003,000	1,029,000
Personal Income Tax ^{1, 3, 4}	1,034,665	1,055,523	1,068,212	1,098,700	1,152,500	1,196,000	1,254,000
Liquor Profit Transfers	7,338	7,265	9,817	9,000	9,100	9,200	9,300
Racing Fees	2,593	1,520	2,070	3,000	3,000	2,500	2,500
Beer Tax and Licenses	8,267	8,384	8,313	8,400	8,400	8,400	8,400
Cigarette Tax	32,219	45,062	102,877	96,000	95,500	95,200	94,500
Estate Tax	13,322	10,836	9,301	4,500	200	0	0
Business Franchise Fees	1,924	1,577	1,631	1,900	1,800	1,800	1,800
Charter Tax	4,959	5,127	5,953	5,300	5,600	5,500	5,700
Use Tax	76,813	83,843	93,373	93,000	96,500	100,000	104,000
Property Transfer Tax	7,315	8,366	10,129	9,000	10,900	10,700	10,800
Property Tax	3,819	4,120	3,977	4,300	4,400	4,500	4,600
Insurance Tax	81,398	92,788	93,248	96,500	103,000	107,500	111,900
Departmental Collections	9,518	10,270	18,466	15,000	15,100	15,200	15,300
Corporate Income/Business Franchise Tax ^{1, 4}	220,158	181,179	181,515	175,300	244,500	249,000	254,000
Miscellaneous Transfers	555	133	23	300	500	500	500
Interest Income	21,708	20,338	7,001	14,000	13,000	19,000	20,000
Severance Tax ¹	166,513	162,314	184,354	162,000	248,000	241,000	222,500
Telecommunication Tax	13,190	12,711	11,017	11,000	6,000	5,000	5,000
Miscellaneous Receipts	2,479	3,265	992	2,000	1,000	1,000	1,000
Smokeless Tobacco Tax	2,217	4,627	4,732	4,800	4,700	4,700	4,700
HB102 - Lottery Transfers	49,000	120,700	126,800	87,800	77,900	65,000	65,000
Video Lottery Transfers	1,491	1,087	305	0	0	0	0
Liquor License Renewal	0	0	0	0	0	0	0
Special Revenue Transfer ⁵	3,001	3,000	2,500	40,756	5,750	4,750	4,750
JOBS/Growth Tax Relief - Transfer	0	0	28,075	0	0	0	0
Senior Citizen Tax Credit Reimbursement	0	0	2,873	5,000	5,000	6,000	7,000
Total	\$2,824,117	\$2,916,961	\$3,082,941	\$3,071,756	\$3,262,650	\$3,331,950	\$3,412,250

¹ Estimates were revised to reflect the elimination of new capital company tax credits in FY 2006. The \$10 million was allocated to Business and Occupation Tax (\$1 million), Personal Income Tax (\$2 million), Corporation Net Income/Business Franchise Tax (\$2 million), and Severance Tax (\$5 million).

² The Consumer Sales and Service Tax estimate for FY 2006 was increased by \$2 million to reflect nonrenewal of the sales tax holiday.

³ Personal Income Tax collections were revised downward by \$30 million in FY 2006 and \$45 million in both FY 2007 and FY 2008 to reflect annual transfers to the old Workers' Compensation Fund.

⁴ Estimates were revised to reflect West Virginia's decision to decouple from the federal tax change regarding the new deduction for domestic manufacturing income. Personal Income Tax receipts were revised up by \$0.5 million and Corporation Net Income/Business Franchise Tax receipts were revised up by \$9.5 million in FY 2006.

⁵ Includes \$1,250 Special Revenue Transfer from Public Service Commission, \$4,000 Special Revenue Transfer from Premium Tax Savings Fund, and \$500 Special Revenue Transfer from Insurance Commission.

General Revenue Fund

Statement of Revenues, Expenditures, and Changes in Cash Balance

(Expressed in Thousands)

	Actual Cash Balance July 1, 2004		\$290,545
Less:	31 Day Disbursements (July 1, 2004 - July 31, 2004)	\$23,765	
	Accumulated Prior Year Reimbursements (July 1, 2004 - July 31, 2004)	(14)	
	Prior Year Appropriations Forwarded	203,339	(227,090)
	Accumulated Surplus from FY 2004		\$63,455
Less:	Transfer one-half to Revenue Shortfall Reserve Fund (Statutory)		(31,728)
	Surplus Balance		\$31,727
Plus:	Accumulated Prior Year Reimbursements (Aug. 1, 2004 - Jan. 31, 2005)		141
	Total Unappropriated Surplus Balance		\$31,868
Less:	Surplus Appropriation (HB 212) FY 2005		(21,151)
	Unappropriated Surplus Balance		\$10,717
Plus:	Expiration to Unappropriated Surplus Balance - SB 3013		6,000
	Unappropriated Surplus Balance		\$16,717
Less:	Surplus Appropriation (SB 3006) FY 2005	\$3,368	
	Surplus Appropriation (SB 3013) FY 2005	6,000	(9,368)
	Unappropriated Surplus Balance		\$7,349
Less:	Recommended Surplus Appropriation - Governor's Office	\$700	
	Recommended Surplus Appropriation - Division of Purchasing	5,919	
	Recommended Surplus Appropriation - Ethics Commission	113	
	Recommended Surplus Appropriation - Educational Broadcasting Authority	117	
	Recommended Surplus Appropriation - Division of Human Services	500	(7,349)
	Unappropriated Surplus Balance		\$0
Plus:	Revenue Estimate FY 2005	\$3,071,756	
Less:	Regular Appropriations FY 2005	(3,071,756)	0
	Estimated Balance - June 30, 2005		\$0
Plus:	Revenue Estimate FY 2006		3,262,650
	Estimated Balance		\$3,262,650
Less:	Recommended Appropriations FY 2006		(3,262,596)
	Estimated Balance - June 30, 2006		<u>\$54</u>

**General Revenue Fund
Overview by Functional Category
FY 2004 through FY 2006
(Nearest Dollar)**

DEPARTMENT/Agency	(Fund #)	Actual Expenditures FY 2004	Total Appropriations FY 2005 *
LEGISLATURE			
Senate	0165	4,905,459	6,919,799
House of Delegates	0170	7,631,459	8,301,677
Joint Expenses	0175	15,446,127	18,110,189
Subtotal		27,983,045	33,331,665
JUDICIAL			
Supreme Court	0180	77,654,342	76,402,510
EXECUTIVE			
Office of the Governor	0101	4,178,140	4,237,820
Custodial Fund	0102	452,864	424,974
Cabinet on Children and Families	0104	2,746,335	2,441,527
Civil Contingent Fund	0105	20,527,844	17,000,000
State Auditor's Office	0116	3,803,094	3,579,791
State Treasurer's Office	0126	5,623,205	3,705,233
Department of Agriculture	0131	8,749,252	9,225,100
West Virginia Conservation Agency	0132	6,737,457	6,592,169
Meat Inspection	0135	614,039	617,112
Agricultural Awards	0136	43,650	58,650
Attorney General's Office	0150	3,739,157	3,515,833
Secretary of State	0155	947,062	1,083,174
State Election Commission	0160	9,400	10,275
Subtotal		58,171,499	52,491,658
ADMINISTRATION			
Office of the Secretary	0186	11,722,240	16,288,826
Division of Finance	0203	2,326,779	1,317,528
Division of General Services	0230	1,445,992	1,487,926
Division of Purchasing	0210	935,378	847,829
Comm on Uniform State Laws	0214	25,373	31,000
Risk & Insurance Management	0217	1,942,000	2,000,000
Grievance Board	0220	864,539	938,668
Ethics Commission	0223	317,238	291,699
Public Defender Services	0226	28,506,310	26,942,879
Comm Purchase f/Handicapped	0233	4,985	5,046
WV Prosecuting Attorneys' Institute	0557	314,927	188,000
Children's Health Insurance Agency	0588	7,122,654	7,122,654
Subtotal		55,528,415	57,462,055

Plus: Reappropriated FY 2005	Total Available FY 2005	Total Request FY 2006 **	Governor's Recommendations FY 2006	Percentage of Total
15,530,840	22,450,639	6,928,120	6,933,016	0.212%
4,462,804	12,764,481	8,301,677	8,311,026	0.255%
15,095,875	33,206,064	18,710,189	18,710,189	0.573%
35,089,519	68,421,184	33,939,986	33,954,231	1.041%
7,146,651	83,549,161	82,363,717	82,363,717	2.524%
760,613	4,998,433	4,227,775	82,778,848	2.537%
0	424,974	424,974	577,774	0.018%
337,677	2,779,204	2,307,243	0	0.000%
27,226,899	44,226,899	4,000,000	8,000,000	0.245%
0	3,579,791	3,387,027	3,608,051	0.111%
1,135,147	4,840,380	3,501,445	3,737,141	0.115%
635,665	9,860,765	12,153,860	9,329,449	0.286%
5,934,970	12,527,139	8,179,478	5,879,495	0.180%
0	617,112	617,112	624,338	0.019%
0	58,650	58,650	58,650	0.002%
426,480	3,942,313	3,710,833	4,102,252	0.126%
356,157	1,439,331	1,352,450	1,092,365	0.033%
0	10,275	9,710	10,275	0.000%
36,813,608	89,305,266	43,930,557	119,798,638	3.672%
0	16,288,826	16,549,208	16,270,207	0.499%
43,811	1,361,339	1,910,312	1,183,527	0.036%
0	1,487,926	1,393,555	1,423,165	0.044%
0	847,829	934,446	942,350	0.029%
0	31,000	29,295	29,295	0.001%
0	2,000,000	1,890,000	0	0.000%
0	938,668	1,006,141	895,074	0.027%
0	291,699	345,656	1,000,000	0.031%
2,686,832	29,629,711	28,106,324	28,114,848	0.862%
0	5,046	5,046	5,046	0.000%
85,508	273,508	188,000	178,884	0.005%
0	7,122,654	7,122,654	7,128,019	0.218%
2,816,151	60,278,206	59,480,637	57,170,415	1.752%

General Revenue Fund
Overview by Functional Category
(Continued)

DEPARTMENT/Agency	(Fund #)	Actual Expenditures FY 2004	Total Appropriations FY 2005 *
COMMERCE			
Tourism	0246	0	400,000
Division of Forestry	0250	2,870,271	2,820,640
Geological & Economic Survey	0253	3,542,546	3,487,070
WV Development Office	0256	29,147,006	27,427,228
Division of Labor	0260	2,751,789	2,912,806
Division of Natural Resources	0265	12,351,805	11,692,329
Miners' Health, Safety & Training	0277	5,722,046	5,885,761
Board of Coal Mine Health & Safety	0280	163,914	169,401
Coal Mine Safety & Technical Review	0285	86,422	63,352
Subtotal		56,635,799	54,858,587
EDUCATION			
School Lunch Program	0303	1,934,090	1,955,830
FFA-FHA Camp & Conference Center	0306	1,068,293	979,790
State Department of Education	0313	22,414,325	29,174,777
Aid for Exceptional Children	0314	21,275,589	22,574,152
State Aid to Schools	0317	1,495,479,475	1,525,749,427
Vocational Division	0390	20,159,289	21,390,580
Educational Performance Audits	0573	500,000	700,527
WV Schools for the Deaf & the Blind	0320	10,821,831	11,052,657
Subtotal		1,573,652,892	1,613,577,740
EDUCATION AND THE ARTS			
Office of the Secretary	0294	3,993,293	3,720,676
Division of Culture and History	0293	3,645,061	5,509,255
Library Commission	0296	1,675,149	1,594,398
Educational Broadcasting Authority	0300	4,634,566	4,693,430
Division of Rehabilitation Services	0310	12,413,862	11,769,251
Subtotal		26,361,931	27,287,010
ENVIRONMENTAL PROTECTION			
Environmental Quality Board	0270	139,273	105,368
Comm on Potomac River Basin	0263	42,300	0
Ohio River Valley Water Sanitation	0264	120,870	0
Division of Environmental Protection	0273	8,009,509	7,639,340
Air Quality Board	0550	90,182	82,514
Subtotal		8,402,134	7,827,222

Plus: Reappropriated FY 2005	Total Available FY 2005	Total Request FY 2006 **	Governor's Recommendations FY 2006	Percentage of Total
0	400,000	0	0	0.000%
0	2,820,640	3,074,388	2,965,997	0.091%
200,327	3,687,397	3,479,531	3,378,294	0.104%
26,255,324	53,682,552	23,022,377	22,376,707	0.686%
0	2,912,806	4,145,115	2,994,017	0.092%
0	11,692,329	11,404,138	11,225,679	0.344%
0	5,885,761	5,885,761	5,953,599	0.182%
0	169,401	169,401	169,981	0.005%
0	63,352	63,352	63,352	0.002%
26,455,651	81,314,238	51,244,063	49,127,626	1.506%
0	1,955,830	2,103,714	2,107,089	0.065%
0	979,790	990,435	999,281	0.031%
1,382,544	30,557,321	39,547,261	17,802,443	0.546%
0	22,574,152	23,596,477	23,744,761	0.728%
0	1,525,749,427	1,570,660,189	1,559,735,339	47.807%
0	21,390,580	22,368,724	21,942,763	0.673%
0	700,527	700,527	703,622	0.022%
0	11,052,657	11,574,933	11,630,385	0.356%
1,382,544	1,614,960,284	1,671,542,260	1,638,665,683	50.226%
863,629	4,584,305	4,204,807	1,577,944	0.048%
0	5,509,255	3,909,255	3,951,805	0.121%
0	1,594,398	1,747,491	1,610,491	0.049%
0	4,693,430	6,214,575	4,480,259	0.137%
164,721	11,933,972	12,259,098	12,208,820	0.374%
1,028,350	28,315,360	28,335,226	23,829,319	0.730%
0	105,368	185,572	157,771	0.005%
0	0	0	0	0.000%
0	0	0	0	0.000%
0	7,639,340	7,219,176	7,064,718	0.217%
0	82,514	120,976	106,934	0.003%
0	7,827,222	7,525,724	7,329,423	0.225%

General Revenue Fund
Overview by Functional Category
(Continued)

DEPARTMENT/Agency	(Fund #)	Actual Expenditures FY 2004	Total Appropriations FY 2005 *
HEALTH AND HUMAN RESOURCES			
Office of Secretary	0400	128,193	137,929
Division of Health-Central Office	0407	55,181,797	57,607,475
Health-Consolidated Medical Services	0525	84,664,319	93,208,968
Health-Drinking Water Treatment	0561	700,000	700,000
Human Rights Commission	0416	1,072,523	1,181,613
Division of Human Services	0403	423,721,616	456,893,338
Subtotal		565,468,448	609,729,323
MILITARY AFFAIRS & PUBLIC SAFETY			
Office of the Secretary	0430	442,119	540,393
Adjutant General - State Militia	0433	11,519,545	16,955,528
Adjutant General - Military Fund	0605	0	0
WV Parole Board	0440	592,718	613,450
Office of Emergency Services	0443	1,106,820	993,210
Division of Corrections - Central Office	0446	1,244,537	579,082
Corrections - Correctional Units	0450	100,165,657	102,321,258
WV State Police	0453	77,740,695	81,506,746
Division of Veterans' Affairs	0456	2,119,129	2,682,608
Veterans' Affairs - Veterans' Home	0460	1,116,031	1,033,725
Fire Commission	0436	1,264,778	200,000
Division of Criminal Justice Services	0546	905,548	1,297,946
Division of Juvenile Services	0570	26,052,064	30,911,834
Division of Protective Services	0585	1,553,771	1,768,448
Subtotal		225,823,412	241,404,228
REVENUE			
Secretary of Revenue	0465	0	622,000
Tax Division	0470	21,652,800	24,384,575
State Budget Office	0595	0	1,050,000
State Athletic Commission	0523	6,991	10,000
Office of Tax Appeals	0593	649,328	644,413
Subtotal		22,309,119	26,710,988
TRANSPORTATION			
State Rail Authority	0506	3,310,450	3,367,221
Division of Public Transit	0510	2,697,432	2,258,342
Public Port Authority	0581	559,778	461,186
Aeronautics Commission	0582	1,523,018	1,320,820
Subtotal		8,090,678	7,407,569

Plus: Reappropriated FY 2005	Total Available FY 2005	Total Request FY 2006 **	Governor's Recommendations FY 2006	Percentage of Total
0	137,929	137,929	138,695	0.004%
326,732	57,934,207	58,324,691	54,082,479	1.658%
11,510,597	104,719,565	117,504,493	91,647,105	2.809%
0	700,000	700,000	700,000	0.021%
0	1,181,613	1,262,053	1,190,133	0.036%
33,617,726	490,511,064	542,879,532	533,893,396	16.364%
45,455,055	655,184,378	720,808,698	681,651,808	20.893%
615,344	1,155,737	636,870	542,295	0.017%
12,638,061	29,593,589	22,155,528	18,568,324	0.569%
0	0	0	200,000	0.006%
0	613,450	682,944	687,063	0.021%
721,327	1,714,537	993,210	1,002,703	0.031%
1,320,039	1,899,121	579,082	582,785	0.018%
10,651,965	112,973,223	157,561,991	121,387,326	3.721%
3,583,597	85,090,343	93,270,607	67,803,731	2.078%
242,529	2,925,137	3,729,882	3,592,246	0.110%
0	1,033,725	1,083,725	1,049,262	0.032%
0	200,000	250,000	200,000	0.006%
0	1,297,946	497,946	1,301,754	0.040%
5,091,201	36,003,035	36,758,946	32,396,215	0.993%
1,559,379	3,327,827	2,724,464	1,785,275	0.055%
36,423,442	277,827,670	320,925,195	251,098,979	7.696%
0	622,000	622,000	625,283	0.019%
2,966,042	27,350,617	55,184,362	23,381,289	0.717%
0	1,050,000	1,050,000	1,052,333	0.032%
0	10,000	10,000	20,000	0.001%
236,364	880,777	753,813	650,564	0.020%
3,202,406	29,913,394	57,620,175	25,729,469	0.789%
0	3,367,221	3,182,024	3,172,814	0.097%
1,677,947	3,936,289	2,134,133	2,134,133	0.065%
987,979	1,449,165	435,821	437,356	0.013%
1,878,955	3,199,775	1,248,175	1,249,852	0.038%
4,544,881	11,952,450	7,000,153	6,994,155	0.214%

General Revenue Fund
Overview by Functional Category
(Continued)

DEPARTMENT/Agency	(Fund #)	Actual Expenditures FY 2004	Total Appropriations FY 2005 *
SENIOR SERVICES			
Bureau of Senior Services	0420	852,883	882,968
HIGHER EDUCATION			
HEPC-Administration	0589	9,366,018	4,019,171
HEPC-System	0586	292,734,937	230,047,967
HEPC-Health Sciences	0590	56,129	0
HEPC-Legislative Funding Priorities	0591	3,189,873	0
Council for C&T College Education	0596	0	50,213,151
Subtotal		305,346,957	284,280,289
MISC BOARDS & COMMISSIONS			
Workers' Compensation Commission	0594	0	5,000,000
Subtotal		0	5,000,000
CLAIMS AGAINST THE STATE			
		0	3,621,385
TOTAL GENERAL REVENUE		3,012,281,554	3,102,275,197

* Total Appropriations FY 2005 includes surplus appropriations of \$30,519,197

** Total Request FY 2006 is Current-Level Request plus General Revenue Improvement Requests

Plus: Reappropriated FY 2005	Total Available FY 2005	Total Request FY 2006 **	Governor's Recommendations FY 2006	Percentage of Total
0	882,968	1,132,968	886,577	0.027%
201,047	4,220,219	4,019,170	14,730,869	0.452%
730,273	230,778,239	334,567,184	218,008,559	6.682%
26,903	26,903	0	0	0.000%
1,683,873	1,683,873	0	0	0.000%
338,306	50,551,457	66,213,151	48,256,455	1.479%
2,980,402	287,260,691	404,799,505	280,995,883	8.613%
0	5,000,000	5,000,000	0	0.000%
0	5,000,000	5,000,000	0	0.000%
0	3,621,385	0	3,000,000	0.092%
203,338,660	3,305,613,857	3,495,648,864	3,262,595,923	100.000%

**General Revenue Fund
Recommended Supplemental Appropriations
Fiscal Year 2005
(Nearest Dollar)**

Fund #

0101	Office of the Governor - Capital Outlay, Repairs and Equipment	\$500,000
0101	Office of the Governor - Pharmaceutical Cost Management Council	200,000
0210	Division of Purchasing - Purchasing Reform Initiative	5,819,000
0210	Division of Purchasing - Operating Expenses	100,000
0223	Ethics Commission - Operating Expenses	113,000
0300	Educational Broadcasting Authority - Roof Replacement	117,000
0403	Division of Human Services - Indigent Burials	<u>500,000</u>
		<u><u>\$7,349,000</u></u>

Lottery Fund **Statement of Revenues, Expenditures,** **and Changes in Cash Balance** **(Expressed in Thousands)**

	Surplus Balance July 1, 2004		\$40,460
Plus:	Revenue Estimate FY 2005		<u>170,100</u>
	Estimated Balance		\$210,560
Less:	Regular Appropriations FY 2005	\$170,097	
	Reserve for Cash Flow/Contingencies	<u>40,000</u>	<u>(210,097)</u>
	Estimated Balance - June 30, 2005		\$463
Plus:	Revenue Estimate FY 2006		<u>170,100</u>
	Estimated Balance		\$170,563
Less:	Recommended Appropriations FY 2006		
	Education, Arts, Sciences, and Tourism Debt Service Fund	\$10,000	
	Development Office - Division of Tourism	7,623	
	Division of Natural Resources	3,373	
	Department of Education	32,345	
	School Building Authority	18,000	
	Education and the Arts - Office of the Secretary	1,585	
	Education and the Arts - Division of Culture and History	3,645	
	Education and the Arts - Library Commission	10,205	
	Education and the Arts - Educational Broadcasting Authority	363	
	Bureau of Senior Services	38,497	
	Higher Education Policy Commission	<u>44,464</u>	<u>(170,100)</u>
	Estimated Balance - June 30, 2006		<u><u>\$463</u></u>

Excess Lottery Fund
Statement of Revenues, Expenditures,
and Changes in Cash Balance
(Expressed in Thousands)

	Surplus Balance July 1, 2004		\$60,954
Less:	Surplus Appropriations (SB2011) FY 2005		<u>(17,863)</u>
	Unappropriated Surplus Balance		\$43,091
Plus:	Revenue Estimate FY 2005		<u>217,800</u>
	Estimated Balance		\$260,891
Less:	Regular Appropriations FY 2005		<u>(217,800)</u>
	Estimated Balance		\$43,091
Less:	Supplemental Appropriation (SB 3007) FY 2005		<u>(3,900)</u>
	Estimated Balance		\$39,191
Less:	Recommended Supplemental Appropriation - Tax Division	\$22,000	
	Recommended Supplemental Appropriation - Division of Purchasing	<u>681</u>	<u>(22,681)</u>
	Estimated Balance - June 30, 2005		\$16,510
Plus:	Revenue Estimate FY 2006		<u>202,900</u>
	Estimated Balance		\$219,410
Less:	Recommended Appropriations FY 2006		
	Lottery Commission - General Purpose Account	\$65,000	
	Education Improvement Fund - (PROMISE Scholarship)	27,000	
	Economic Development Project Fund	19,000	
	School Building Authority	19,000	
	West Virginia Infrastructure Council	40,000	
	Higher Education Improvement Fund	10,000	
	State Park Improvement Fund	5,000	
	Lottery Commission - Refundable Credit Reimbursement	5,000	
	Lottery Commission - General Revenue Transfer	<u>12,900</u>	<u>(202,900)</u>
	Estimated Balance - June 30, 2006		<u><u>\$16,510</u></u>

**Excess Lottery Fund
Recommended Supplemental Appropriations
Fiscal Year 2005
(From FY 2004 Surplus)
(Nearest Dollar)**

Fund #

7082	Tax Division - Integrated Tax Accounting System	\$22,000,000
2900	Division of Purchasing - Purchasing Reform Initiative	<u>681,000</u>
	Total	<u><u>\$22,681,000</u></u>

State Road Fund

Statement of Revenues by Source

(Expressed in Thousands)

Source of Revenue	FY 2002 Actual Collections	FY 2003 Actual Collections	FY 2004 Actual Collections	FY 2005 Revised Estimate	FY 2006 Official Estimate	FY 2007 Estimate	FY 2008 Estimate
Motor Fuel Taxes	\$230,141	\$221,338	\$272,398	\$311,700	\$318,000	\$290,000	\$337,000
Sales Tax on Fuel at Wholesale Level*	73,230	67,835	36,920	0	0	0	0
Registration Fees	85,929	86,238	83,146	85,754	85,160	83,903	85,572
Registration Fee: Highway Litter Control	1,744	1,595	1,578	1,688	1,755	1,851	1,953
Privilege Tax	172,472	167,723	176,700	176,300	179,420	182,632	185,934
Less Transfer to Industrial Access Road Fund	(3,511)	(2,294)	(2,948)	(3,000)	(3,000)	(3,000)	(3,000)
Miscellaneous Income	7,802	6,461	5,726	6,432	6,224	6,069	6,079
Federal Reimbursement:							
Interstate Construction	55,437	46,399	51,524	63,500	72,539	90,700	90,700
Other Federal Aid Programs	168,405	178,610	179,521	278,700	246,540	306,500	306,500
Appalachian Program	164,985	171,622	123,042	132,300	136,326	274,500	274,500
Total	<u>\$956,634</u>	<u>\$945,527</u>	<u>\$927,607</u>	<u>\$1,053,374</u>	<u>\$1,042,964</u>	<u>\$1,233,155</u>	<u>\$1,285,238</u>

* As a result of the passage of SB 496, effective January 1, 2004, wholesale fuel tax will no longer be reported separately. It will be combined with the other fuel taxes under the Motor Fuel Taxes. A more detailed explanation of sources of revenue is discussed in the "Revenue Sources" section of this book.

State Road Fund
Statement of Revenues, Expenditures,
and Changes in Cash Liquidity
(Expressed in Thousands)

	Cash and Investment Balance - July 1, 2004	\$104,619	
Plus:	Revised Revenue Estimate - FY 2005	<u>1,053,374</u>	
	Total Estimated Receipts and Balance	\$1,157,993	
Less:	Regular Division of Highways Appropriations FY 2005	\$1,045,241	
	Recommended Highways Supplemental Appropriation FY 2005	3,413	
	Regular Division of Motor Vehicles Appropriation FY 2005	38,994	
	Claims Against the State Road Fund	<u>434</u>	(1,088,082)
	Estimated Balance - June 30, 2005	\$69,911	
Plus:	Revenue Estimate - FY 2006	<u>1,042,964</u>	
	Estimated Balance	\$1,112,875	
Less:	Recommended Division of Highways Appropriation FY 2006	\$1,023,221	
	Recommended Division of Motor Vehicles Appropriation FY 2006	36,850	
	Recommended Claims Against the State Road Fund FY 2006	<u>425</u>	(1,060,496)
	Estimated Cash and Investments Balance - June 30, 2006	<u>\$52,379</u>	

**Tobacco Settlement Fund
Recommended Appropriations
FY 2006
(Expressed in Thousands)**

Fund #

5124	Division of Health - Tobacco Settlement Expenditure Fund	<u>\$25,400</u>
	Total Tobacco Settlement Expenditure Fund	<u><u>\$25,400</u></u>

Public Employees Insurance Reserve Fund
Recommended Appropriations
FY 2006
(Expressed in Thousands)

Fund #

7400	State Budget Office - Public Employees Insurance Reserve Fund	<u>\$6,100</u>
	Total Public Employees Insurance Reserve Fund	<u><u>\$6,100</u></u>

Major Constitutional and Statutory Requirements

Each year there are several major constitutional or statutory requirements that limit the flexibility of any discretionary recommendations by the Governor. The FY 2006 Executive Budget includes expenditures of \$2.042 billion of these major requirements and makes up 63% of the total General Revenue funds available. Following is a breakdown of these major requirements:

	Recommendation (in millions)
LEGISLATIVE BRANCH	\$33.9
JUDICIAL BRANCH	75.6
DEPARTMENT OF EDUCATION	
State Aid to Schools	977.8
Public Employees Insurance Agency	203.4
DEBT SERVICE	
School Building Authority	23.3
Lease Rental Payments for debt service on correctional facilities	16.0
RETIREMENT	
Judges' Retirement	6.8
Teachers' Retirement	355.2
Trooper Retirement	12.6
MEDICAID	337.6
Total	\$2,042.2

Summary of Primary Government Long-Term Debt Outstanding at June 30, 2002 through 2006 (Expressed in Thousands)

	6/30/02	6/30/03	6/30/04	Estimated 6/30/05	Estimated 6/30/06
General Obligation Debt					
Road Bonds	\$539,540	\$517,500	\$494,430	\$470,215	\$444,845
Better School Buildings Bonds	4,000	2,000	0	0	0
Infrastructure Bonds	285,664	281,679	277,449	273,014	265,521
SUBTOTAL	\$829,204	\$801,179	\$771,879	\$743,229	\$710,366
Revenue Bonds					
School Building Authority	\$322,800	\$300,440	\$275,950	\$385,965	\$365,935
EAST Fund	68,915	62,545	55,855	48,830	41,455
Economic Development Authority	0	0	249,895	236,005	228,840
WV Infrastructure and Jobs Development Council	45,000	44,865	89,550	88,710	87,415
Education	2,296	2,238	2,186	2,130	2,071
SUBTOTAL	\$439,011	\$410,088	\$673,436	\$761,640	\$725,716
Capital Leases					
Governmental Funds	\$233,106	\$283,762	\$273,194	\$287,000	\$287,000
Internal Service	19,001	17,137	11,434	13,000	8,000
SUBTOTAL	\$252,107	\$300,899	\$284,628	\$300,000	\$295,000
TOTAL	\$1,520,322	\$1,512,166	\$1,729,943	\$1,804,869	\$1,731,082